

Honolulu, Hawaii

MAR 04 2016

RE: S.B. No. 2987  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B.  
No. 2987, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE TRANSIENT ACCOMMODATIONS  
TAX,"

begs leave to report as follows:

The purpose and intent of this measure is to address the  
allocation of transient accommodations tax revenues.

Specifically, this measure:

- (1) Makes permanent the annual allocation of \$103,000,000 of  
transient accommodations tax revenues to the counties;  
and
- (2) Establishes a state-county functions working group on  
July 1, 2022.

Your Committee received written comments in opposition to  
this measure from the Office of the Mayor of the County of Hawaii,  
Maui County Council, Hawaii State Association of Counties, a Maui  
County Councilmember, a Hawaii County Councilmember, and one  
individual. Your Committee received comments on this measure from  
the Department of Budget and Finance, Office of the Mayor of the  
City and County of Honolulu, and Tax Foundation of Hawaii.

Your Committee recognizes that Act 174, Session Laws of  
Hawaii 2014, temporarily increased the \$93,000,000 cap on the




distribution of transient accommodations tax revenues to the counties to \$103,000,000 for fiscal years 2014-2015 and 2015-2016. Given that the counties have often asked for stability in funding, rather than allow the cap to be reduced back down to \$93,000,000, this measure makes the \$103,000,000 cap permanent. Your Committee also recognizes that the issue of state-county relations should be reviewed again in the future to determine if the transient accommodations tax revenue allocation should be changed. Your Committee therefore believes that the formation of a working group in 2022, as required by this measure, is suitable for this purpose.

Your Committee has amended this measure by changing the effective date to July 1, 2076, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2987, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2987, S.D. 2.

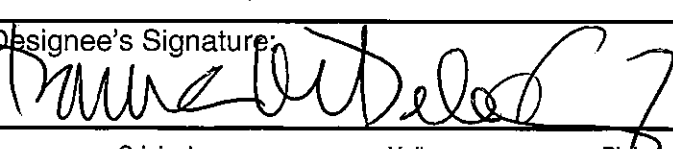
Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
JILL N. TOKUDA, Chair



The Senate  
Twenty-Eighth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 2987, SD1</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">TSI/PSM, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">8/29/16</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311         </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310         </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313         </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood	/			
HARIMOTO, Breene				/
INOUE, Lorraine R.	/			
RIVIERE, Gil	/			
TANIGUCHI, Brian T.		/		
WAKAI, Glenn	/			
SLOM, Sam		/		
TOTAL	8	2		1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; text-align: center;">  </div>				
<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div style="text-align: center;"> <b>Distribution:</b>            Original            File with Committee Report         </div> <div style="text-align: center;">           Yellow            Clerk's Office         </div> <div style="text-align: center;">           Pink            Drafting Agency         </div> <div style="text-align: center;">           Goldenrod            Committee File Copy         </div> </div>				

\*Only one measure per Record of Votes